

Message Text

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ORIGIN XMB-07

INFO OCT-01 ARA-16 ISO-00 EB-11 AID-20 CIAE-00 COME-00

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R 092141Z AUG 74

FM SECSTATE WASHDC

TO AMEMBASSY SAN JOSE

C O N F I D E N T I A L STATE 174605

E.O. 11652: GDS

TAGS: EGEN

1. EXIMBANK HAS BEEN TOLD BY MIDWEST BANKER OF UNFAVORABLE REPORTS ABOUT LATIN AMERICAN BANK CIRCULATING IN SAN JOSE. REPORTS INCLUDED ALLEGED DISHONESTY OF BANK'S PRINCIPALS-- PRESUMABLY PRESIDENT ARNOLDO, RODRIGUEZ, PLUS CLAIMS THAT THEY HAVE ABANDONED SEVERAL PREVIOUS BUSINESSES, LEAVING THEM IN SHAMBLES. ONE EXAMPLE CITED IS CENTRAL AMERICAN BANK FOR FOREIGN EXCHANGE WHICH RODRIGUEZ BROTHERS LEFT SHORTLY AFTER STARTING. THERE ARE ALSO REPORTS THAT SEVERAL U.S. BANKS HAVE WITHDRAWN SUPPORT FROM LATIN AMERICAN BANK.

2. EXIMBANK REQUEST EMBASSY COMMENTS AS TO PROBABLY CERACITY OF SUCH RUMORS.

3. EXIMBANK ASSISTED LAB IN SMALL WAY SOON AFTER ITS START, AND HAS GRADUALLY INCREASED AMOUNT OF ITS LOAN FUNDS AND GUARANTEES AVAILABLE TO LAB. AT PRESENT LAB HAS USED APPROXIMATELY \$1

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MILLION OF A \$1,450,000 DIRECT LOAN LIMIT AND APPROXIMATELY

\$600,000 OF EXIMBANK GUARANTEES TO PRIVATE U.S. BANKS OUT OF
\$950,000 LIMIT, TO FINANCE EQUIPMENT PURCHASES BY ITS CLIENTS
ON TERMS UP TO FIVE YEARS. EMBASSY COMMENTS AND ANY DETAILS
AVAILABLE WILL BE HELPFUL IN CONSIDERING EXIMBANK POSTURE WITH
RESPECT TO THIS BANK. KISSINGER

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